

Nov 16/18

Court File No. 31-2303814

Approved
Counsel will
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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE RAINEY

FRIDAY, THE 16TH

DAY OF MARCH, 2018

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ANCILLARY ORDER

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the "**Proposal Trustee**") of 1482241 Ontario Limited (the "**Debtor**"), for an order, *inter alia*, approving: (a) the first report of the Proposal Trustee dated October 27, 2017 (the "**First Report**"); (b) the supplemental report to the First Report of the Proposal Trustee dated November 2, 2017 (the "**Supplemental Report**"); (c) the second report of the Proposal Trustee dated December 13, 2017 (the "**Second Report**"); (d) the third report of the Proposal Trustee dated February 1, 2018 (the "**Third Report**"); (e) the fourth report of the Proposal Trustee dated March 7, 2018 (the "**Fourth Report**"), (f) the supplement to the Fourth Report dated March 15, 2018 (the "**Supplement to the Fourth Report**" and, collectively with the other reports of the Proposal Trustee referred to herein, the "**Reports**"); (g) the fees and disbursements of the Proposal Trustee's counsel as reported in the Fourth Report; (h) the distribution of proceeds from the sale of the property located at 240 Duncan Mill Road, Toronto, Ontario (the "**Duncan Mill Property**") to certain secured creditors; and (i) sealing confidential appendices 1-

5 to the Fourth Report (the “**Confidential Appendices**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Reports and the appendices thereto, the fee affidavit of Steven L. Graff sworn March 7, 2018 (the “**Fee Affidavit**”), the affidavit of Alain Checroune sworn March 13, 2018, the affidavit of Ivan Mitchell Merrow sworn March 14, 2018, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Diana Saturno and Diana McMillen sworn March 8, 2018, filed,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Supplemental Report and the activities of the Proposal Trustee described therein be and are hereby approved.
4. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee described therein be and are hereby approved.
5. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee described therein be and are hereby approved.
6. **THIS COURT ORDERS** that the Fourth Report and the activities of the Proposal Trustee described therein be and are hereby approved.

7. **THIS COURT ORDERS** that the Supplement to the Fourth Report and the activities of the Proposal Trustee described therein be and are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel as described in the Fourth Report and as set out in the ~~Fee Affidavit~~^F, be and are hereby approved.

9. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute amounts received pursuant to the APS (as defined in the Fourth Report), as follows:

- (a) to Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited (collectively, the "**First Mortgagees**"), on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument Nos. AT935525 and AT4236037 (the "**First Charge**"), up to the amounts of the ~~Debtor's secured indebtedness owing to the First Mortgagees for principal and interest, as secured by the First Charge;~~
- (b) to the First Mortgagees, on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the Property Tax Dip Loan (as defined in the Fourth Report), as secured by the Tax Dip Lender's Charge (as defined in the Fourth Report), up to the amount of the Debtor's secured indebtedness owing to the First Mortgagees for principal and interest, as secured by the Tax Dip Lender's Charge; and
- (c) ~~to Janodee Investments Ltd. and Meadowshire Investments Ltd. (together, the "**Second Mortgagees**"), on account of the amounts owing to the Second Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument No. AT4349221 (the "**Second Charge**"), up to the amount of the Debtor's secured indebtedness owing to the Second Mortgagees for principal and interest, as secured by the Second Charge, less an amount sufficient to satisfy the indebtedness owing by the Debtor to Devry Smith~~

listed in the statement attached as Exhibit D to the Supplement to the Fourth Report, less the amount of \$206,250 for 3 months interest which shall be withheld by the Proposal Trustee to be dealt with based on the Court's determination of that claim in accordance with

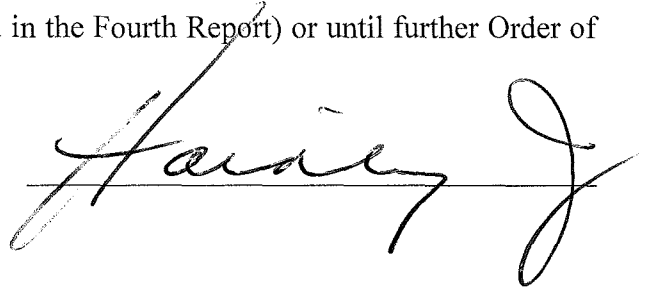
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Paragraph 11 below, provided that the First Mortgagees may seek to in connection with the claim for \$206,250.

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Frank LLP pursuant to a writ of execution registered effective December 15, 2015 (the "**Retained Amount**"). The Proposal Trustee shall hold the Retained Amount in trust pending further Order of the Court.

10. **THIS COURT ORDERS** that the Confidential Appendices be, and are hereby, sealed pending the closing of the Transaction (as defined in the Fourth Report) or until further Order of the Court.



11. **THIS COURT ORDERS** that the following issues shall be determined ~~by~~ by way of oral argument on March 28, 2018 or as further directed by the Court:

(a) the claim by the First Mortgagees for \$206,250 for 3 months' interest;

(b) the issue of whether the order of Justice Whitaker dated October 27, 2014 affects the validity and/or enforceability of the Second Charge; ~~and~~

(c) the issue of the interest rate under the Second Charge as raised by the Debtor; and

(d) the impact of the DSF Writ (as defined in the Supplement to the Fourth Report), if any, on the amount secured by the Second Charge.

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**IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto**

ANCILLARY ORDER

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